



"BY THE RUDE BRIDGE THAT
ARCHED THE FLOOD,
THEIR FLAG TO APRIL'S
BREEZE UNFURLED,
HERE ONCE THE EMBATTLED
FARMERS STOOD,
AND FIRED THE SHOT HEARD
ROUND THE WORLD."

- R. W. EMERSON

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1975

ANNUAL REPORT

Year ending June 30, 1975

COMMONWEALTH OF MASSACHUSETTS
ION OF EMPLOYMENT SECURITY

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MASSACHUSETTS YEAR IN REVIEW

Major Developments - Fiscal Year 1975

Employment, Claims, Benefits

At the start of the 1975 fiscal year, the rate of unemployment in Massachusetts was 6.7 percent. During the year it rose steadily, exceeding 12 percent in the spring. This factor, in combination with others, subjected the Division to severe stress in virtually every functional area and location. The very high rate of unemployment occasioned abnormally high claim loads throughout the state for the greater part of the year.

In December, Congress enacted two new Federal programs, one providing unemployment benefits to workers not covered under our Employment Security Law, and the other providing additional benefits to those who had exhausted their earlier entitlement. By year end, our claim and payment workload were double what they would have been otherwise.

THE COMMONWEALTH OF MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY

In consequence, Division resources were overtaxed in critical respects. Data processing capacity was inadequate for the unprecedented volume of claims and payments. Space in many offices was insufficient to accommodate clients or the additional staff required. Where possible more space was acquired, in some cases by moving Employment Service operations to a separate location. In Boston, it was necessary to open an additional claims office. In other areas, we obtained legislative approval to locate offices in vacant buildings. To ease the reporting, to relieve the burden on employers, and to improve the quality of service, we began a major effort to revise our reporting system. This effort, though still in progress, has had some success. However, there were adverse effects on both personnel and equipment because of the increased hours of operation required to handle the claims and process claims and payments. These circumstances, the quality and timeliness of service to both clients and employers, occasioned substantial difficulties during much of the year.

ANNUAL REPORT

Fiscal Year Ending June 30, 1975

Employment Service

In this unfavourable environment, the Division made a concerted major effort to revitalize our job service function, to strengthen management capabilities, to gain greater acceptance by the employers in the state, and to expand further service to all clients. Although many difficulties were adverse, gratifying progress was made in increasing the effectiveness of our Employment Service.

John D. Crosier, Director

MASSACHUSETTS YEAR IN REVIEW

I. Major Developments, Fiscal Year 1975

A. Unemployment, Claims, Payments

At the start of the 1975 fiscal year, the rate of unemployment in Massachusetts was 6.7 percent. During the year it rose steadily, exceeding 12 percent in the spring. This factor, in combination with others, subjected the Division to severe stress in virtually every functional area and location. The very high rate of unemployment occasioned abnormally high claim loads throughout the state for the greater part of the year.

In December, Congress enacted two new Federal programs, one providing unemployment benefits to workers not covered under our Employment Security Law, and the other providing additional benefits to those who had exhausted their earlier entitlement. By year end, our claim and payment workloads were double what they would have been without these new programs.

In consequence, Division resources were overtaxed in critical respects. Data processing capacity was inadequate for the unprecedented volume of claims and payments. Space in many offices was insufficient to accommodate clients or the additional staff required. Where possible more space was acquired, in some cases by moving Employment Service operations to a separate location. In Boston, it was necessary to open an additional claims office. We also sought and obtained legislative approval to institute a bi-weekly schedule of claimant reporting, to relieve congestion in the offices and prolonged waiting by clients. Despite such measures, however, there were adverse effects on both personnel and equipment because of the increased hours of operation needed to interview clients and process claims and payments. Under these circumstances, the quality and timeliness of service, to both claimants and employers, occasioned substantial difficulty during much of the year.

B. Employment Service

In this unfavorable environment, we undertook a concurrent major effort to revitalize the Employment Service, to strengthen management capability, to obtain greater acceptance by the employers in the state, and to deliver better service to all clients. Although labor market conditions were adverse, gratifying progress has been made in increasing the effectiveness of our Employment Service.

A major development in our employment service functions was the phasing out of the MDTA program which we had conducted for a dozen years, and its replacement by CETA. This, the Comprehensive Employment and Training Act, has involved us in new contractual relationships with governmental prime sponsors and sub-grantees throughout the state. Various start-up problems have been encountered in this program, and the nature and extent of our participation may vary greatly from one area to another. Our principal functional contribution is usually the development of on-job training opportunities for CETA enrollees.

C. General Administrative Developments

To promote further and more effective decentralization of authority and responsibility, a program of training in management by objective was initiated. This was conducted for supervisors in the central, regional, and local offices. Significant new management controls were introduced in our central unemployment insurance operations, and individual and group performance standards developed. Regional office staff was strengthened, with particular attention to functions affecting job placement and employer services, and the training of our own personnel.

Computer capacity was expanded in January, and additional local office terminals were connected on-line to the limit of the system. Since this was still less than adequate for our needs, action was started to obtain new computer equipment and terminals. A contract has been negotiated which calls for installation and operation by October 1975.

Staff increased over the year by more than 900, to a total of approximately 3,600. About two-thirds of the increase consisted of Intermittent Claims Clerks, who work part-time in local offices on claims taking and benefit payment functions.

Toward the end of the year, the Secretary of Economic Affairs appointed a Task Force to study the Employment Security Law and its administration. It is expected that the group will develop substantial recommendations for revision of the law and other changes designed to improve the operations of the Division.

The Statistical Digest, which is a detailed report of activities in tabular form, will be issued separately at a later date.

II. Unemployment Insurance

A. Regular Benefit Programs

Both initial and continued claims under our basic programs rose more than 40 percent above the 1974 level. Initial claims totaled nearly 850,000, while weeks claimed exceeded 7,500,000.

The higher rates of unemployment resulted in a correspondingly greater year-to-year increase under the permanent extended benefits program known as TREX. Initial claims were almost 60 percent higher than in 1974, reaching nearly 170,000. A parallel increase occurred in weeks claimed, where the total exceeded 1,250,000.

B. New Federal Programs

In December 1974, Federal legislation established two new temporary benefit programs, both Federally funded. One, known as SUA, provided unemployment benefits to persons not covered under state unemployment laws, principally agricultural and domestic workers and some public employees. The other, identified as FSB, provided additional benefits to persons who had exhausted the credits on their basic and TREX claims.

Both these programs became operative in Massachusetts during the week beginning January 5, the worst possible time to cope with the administrative complexities and the heavy additional workloads they occasioned.

Before the end of the fiscal year, each of these laws was amended by Congress, causing additional complications in administration, and further increasing the workload of claims and payments.

By June 30, some 167,000 initial FSB claims were filed, and 36,000 under SUA. Weeks claimed under FSB were approximately 2,125,000, with another 100,000 under SUA.

The cumulative effect of these new programs, plus an already very heavy basic workload, resulted in our local offices and our processing system, being required to service clients far in excess of 300,000 a week for a prolonged period. There was no possible way to cope with such volumes other than by opening our offices both evenings and Saturdays. The data entry method in the central office was converted from key punch to

key-to-disc, with significant productive gains. In the local offices, however, we were unable to expand our terminal capacity, and had to resort to additional equipment not compatible with that already in place. While this helped in timeliness of claims processing, it added to administrative cost and to the strain on personnel.

The Federal legislation providing Trade Adjustment Assistance to workers whose employment is adversely affected by imports was substantially changed, effective in April. There was insufficient experience to assess its full impact, but it is expected that petitions will be approved in greater number than under the former provisions. The current law provides a Federal supplement to unemployment benefits payable under the state law, but there is no reimbursement to the state for its payments, as was previously the case.

Handicapped, and recipients of public assistance. Among the latter, it is notable that some 6,000 FDC clients were placed in jobs through the Work Incentive Program, as well as more than 4,100 recipients of General Relief. There were also about 1,200 persons placed in seasonal jobs in state service, under the new program mandating recruitment for such jobs through this Division.

Local offices were substantially involved in various other special programs activities. This included principally the functions of counseling, job development, and placement. It extended to such programs as WIA, the National Employment Employment Program, etc., and Trade Adjustment Assistance.

III. Employment Service

Our local employment offices placed some 69,000 individuals in jobs with Massachusetts employers during the year. This constituted an improvement of 11 percent over the prior year, despite far less favorable labor market conditions. It also showed a significant increase in placement productivity per man year worked. It reflected in part our efforts to improve the quality of line supervision and the technical assistance provided by staff, and in part the results of a systematic program to improve employer services.

Among those placed, veterans gained proportionately more in comparison with 1974. Special efforts were productive also for others with significant placement barriers, such as minority group members, rural applicants, law offenders, the handicapped, and recipients of public assistance. Among the latter, it is notable that some 6,000 AFDC clients were placed in jobs through the Work Incentive Program, as well as more than 4,100 recipients of General Relief. There were also about 1,300 persons placed in seasonal jobs in state service, under the new program mandating recruitment for such jobs through this Division.

Local offices were substantially involved in various other special program activities. This included principally the functions of counseling, job development, and placement. It extended to such programs as CETA, the Defense Employees Reemployment Program, Job Corps, and Trade Adjustment Assistance.

